
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP AUDIT ON THE
DEPARTMENT OF PUBLIC SAFETY'S CONTRACTING FOR PRISON BEDS
AND SERVICES.

1 WHEREAS, in December 1995, the Department of Public Safety
2 began transferring inmates to out-of-state facilities to address
3 persistent prison overcrowding; and
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5 WHEREAS, this transfer was viewed as a stop-gap measure
6 that would give prison officials time to increase in-state
7 capacity; however, twenty years later, approximately 1,600
8 Hawaii inmates continue to be incarcerated in correctional
9 facilities in Arizona; and
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11 WHEREAS, the Auditor issued Report No. 10-10 titled
12 *Management Audit of the Department of Public Safety's*
13 *Contracting for Prison Beds and Services* in 2010; and
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15 WHEREAS, in Report No. 10-10, the Auditor:
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17 (1) Found that the Department of Public Safety did not
18 provide detailed and accurate financial information to
19 policymakers and the public, even though this
20 information is a key component in solving the State's
21 chronic prison overcrowding problem;
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23 (2) Found that the Department of Public Safety
24 circumvented the State's procurement process when it
25 established an inter-governmental agreement with the
26 City of Eloy, Arizona, and Corrections Corporation of
27 America for prison beds and services at Florence
28 Correctional Center, Red Rock Correctional Center, and
29 Saguro Correctional Center;
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1 (3) Concluded that inadequate financial reporting and
2 circumvention of procurement requirements, among other
3 factors, created an almost total lack of monitoring
4 for contract compliance, inadequate documentation of
5 on-going contract performance, and no provisions for
6 record retention; and
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8 (4) Recommended that the Department of Public Safety must
9 improve the methodology employed to calculate
10 comparable inmate incarceration cost data as well as
11 its processes for monitoring the operations of private
12 prisons; and
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14 WHEREAS, the Auditor issued Report No. 13-03, titled *Report*
15 *on the Implementation of State Auditor's 2010 Recommendations* in
16 2013, which included a follow-up on the Department of Public
17 Safety's prison bed contracting and the implementation status of
18 recommendations offered in Report No. 10-10; and
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20 WHEREAS, in Report No. 13-03, the Auditor found that
21 although the Department improved the accuracy of its
22 incarceration data through better methodology, procurement
23 compliance, particularly monitoring of contract compliance and
24 performance, was still an issue; now, therefore,
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26 BE IT RESOLVED by the House of Representatives of the
27 Twenty-eighth Legislature of the State of Hawaii, Regular
28 Session of 2015, the Senate concurring, that the Auditor is
29 requested to conduct a follow-up audit to the *Management Audit*
30 *of the Department of Public Safety's Contracting for Prison Beds*
31 *and Services*, Report No. 10-10; and
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33 BE IT FURTHER RESOLVED that the Auditor is requested to
34 assess and update the status of the recommendation to the
35 Department of Public Safety to improve its processes for
36 monitoring the operations of contracted private prisons
37 including the Auditor's recommendations to:
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39 (1) Develop a quality review program to ensure the
40 monitoring of records and reports and documentation of
41 inspection results;
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(2) Establish policies and procedures related to documenting contract compliance issues and the retention of records; and

(3) Update its policies and procedures for fiscal monitoring and the approval and processing of invoices; and

BE IT FURTHER RESOLVED that the Auditor is requested to report findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Auditor and the Director of Public Safety.

OFFERED BY: 

MAR - 9 2015

